

CHAPTER 1065

MOTOR VEHICLE REGISTRATION FEES — EXEMPTION FOR NEW COMPLETED VEHICLES MODIFIED BY EQUIPMENT DEALERS

S.F. 2291

AN ACT providing an exemption from registration fees for certain new completed motor vehicles purchased by an equipment dealer for modification and resale.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 321.48, Code 2014, is amended by adding the following new subsection:

NEW SUBSECTION. 3A. A transferee of a new completed motor vehicle shall obtain a certificate of title for the vehicle but is not required to pay the annual registration fee for the vehicle, provided all of the following apply:

- a. The transferee is an equipment dealer licensed as a motor vehicle dealer under chapter 322.
- b. The transferee purchases the vehicle at retail for the purpose of modifying the vehicle as provided in section 321.105A, subsection 2, paragraph “c”, subparagraph (31), prior to selling it as a used vehicle to a business or government entity.
- c. The transferee operates the vehicle only for purposes incidental to a resale.
- d. The transferee displays a dealer plate on the vehicle or does not drive the vehicle or permit it to be driven upon the highways.

Sec. 2. Section 321.105A, subsection 2, paragraph c, Code 2014, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (31) (a) A new completed motor vehicle purchased at retail by an equipment dealer who is licensed as a motor vehicle dealer under chapter 322, provided that all of the following apply:

- (i) The equipment dealer modifies the vehicle as provided in subparagraph division (b), subparagraph subdivision (i) or (ii).
- (ii) The total value of the work performed and the equipment installed on the vehicle equals or exceeds eighty percent of the purchase price paid for the new vehicle.
- (iii) Notwithstanding section 322.3, the equipment dealer sells the modified vehicle as a used vehicle to a purchaser that is a business or government entity, and not an individual consumer.

(b) For purposes of this subparagraph, “*equipment dealer*” means a person who does at least one of the following:

- (i) Rebuilds new completed motor vehicles by fabricating, altering, adding, or replacing essential parts, components, or equipment for the purpose of building an ambulance, rescue vehicle, fire vehicle, or towing or recovery vehicle.
- (ii) Installs cranes, hook loaders, buckets, aerial ladders, tanks, or special equipment on new completed motor trucks with a gross vehicle weight rating of fourteen thousand five hundred pounds or more.

Approved April 3, 2014